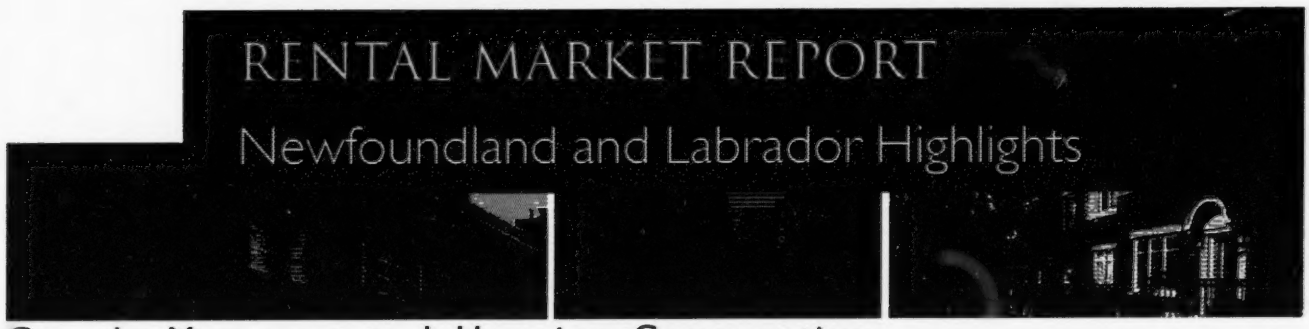
RENTAL MARKET REPORT

Newfoundland and Labrador Highlights



Canada Mortgage and Housing Corporation

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Figure 1

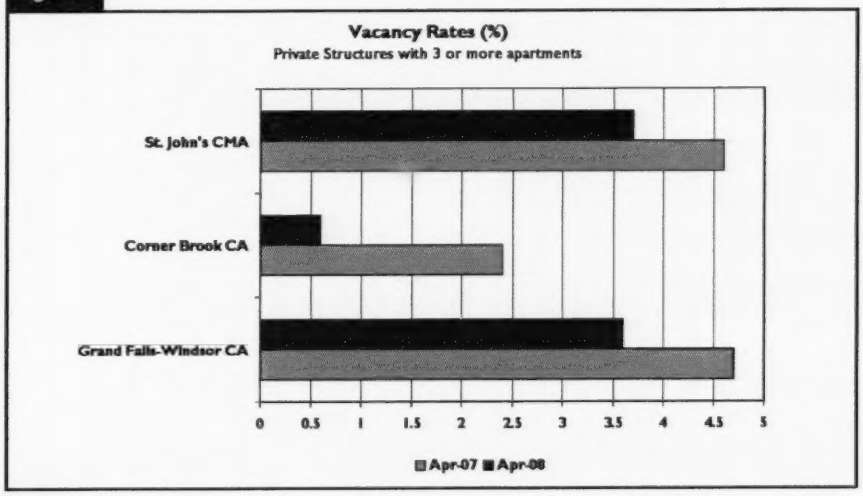
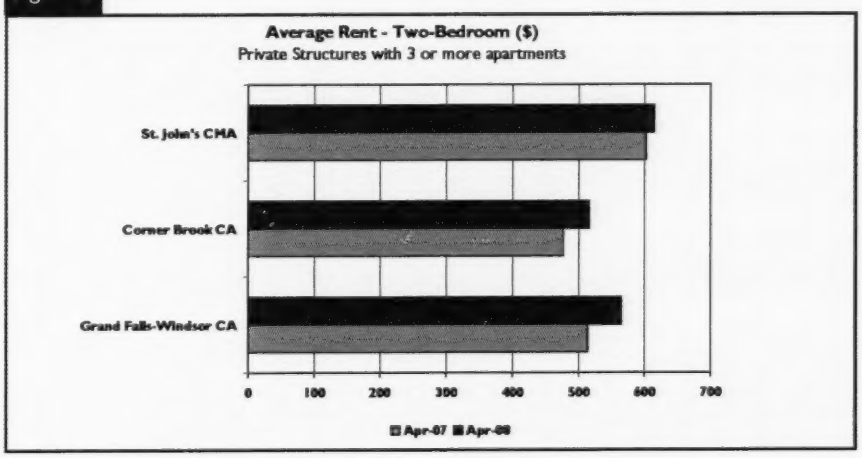


Figure 2



Vacancy Rates Lower Throughout Province

- Provincially, the combined total vacancy rate was 3.2 per cent.
- High house prices slowed the movement from renter to homeowner within the St. John's CMA.
- Average two bedroom rent was $581 across the five urban centres surveyed.
- Corner Brook CA had the lowest vacancy rate at 0.6 per cent.

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Overview

CMHC's survey of rental accommodation conducted during the month of April indicated that vacancy rates for private apartment structures containing three or more units were lower throughout the province in all centres surveyed. The vacancy rate was highest in St. John's CMA (Census Metropolitan Area), while the lowest vacancy rate recorded was in Corner Brook CA (Census Agglomerate). As expected, average rents were highest within the St. John's CMA, with Bay Roberts CA being the most affordable centre surveyed for rental accommodations. Provincially, the combined total vacancy rate came in at 3.2 per cent during the April survey, with 166 of the 5,099 units surveyed sitting vacant. This represents a reduction of one percentage point from last April's rate of 4.2 per cent.

The St. John's CMA rental market posted a vacancy rate of 3.7 per cent for the April survey versus 4.6 per cent last April. This translates into 136 vacant units out of the 3,704 units surveyed. With a notable improvement in the labour market, positive net-migration should continue to hold the vacancy rate down within the region. Despite rising house prices, solid economic activity, lower interest rates and favourable income growth have increased the demand for homeownership within the St. John's CMA. However, higher house prices, combined with small rent increases, have resulted in more households remaining in rental. As a result, the movement of renter households into a homeownership situation has slowed. With house prices continuing to advance, demand for rental is expected to remain strong. On the supply side, a lack of recent rental construction has had little impact on the supply of rental stock. The above are viewed as key factors behind the lower posted vacancy rate.

With a university campus, world-class ski resort and increased economic prosperity, Corner Brook CA is currently the tightest rental market in the province with a vacancy rate of 0.6 per cent compared to 2.4 per cent a year ago. With much improved conditions within the region, the Corner Brook CA rental market is expected to continue to remain tight with low levels of vacancy and rising rents.

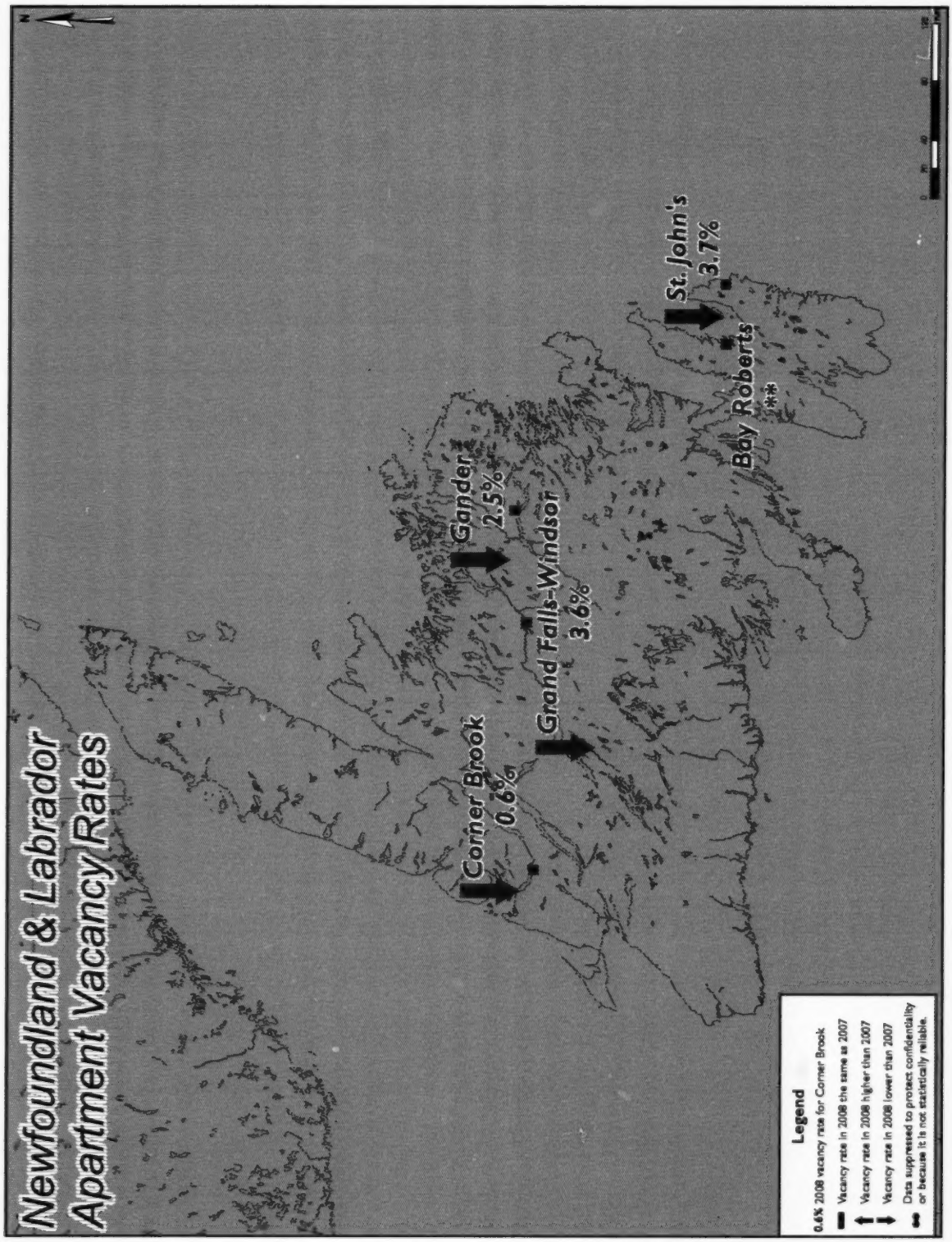
In other rental markets, the April survey story was much the same. The Gander region, which posted a vacancy rate of 2.5 per cent versus 4.6 per cent last year, is being positively impacted by renewed security regarding the future of the international airport. Grand Falls-Windsor CA posted a vacancy rate of 3.6 per cent in April compared to 4.7 a year ago. The central region's economy continues to perform well, with the construction of new homes, increased mining activity and a growing aquaculture sector on the South Coast.

Average Rents

Overall, the average two bedroom rent was $581 across the five urban centres surveyed, with increases recorded in every centre. The highest average two bedroom rent recorded was $614 in the St. John's CMA, while Bay Roberts CA posted the lowest average rent of $464. The remaining average two bedroom rents were, Corner Brook CA: $516; Gander CA: $504; and Grand Falls-Windsor CA: $565. The estimates of percentage change of average rent for two bedroom apartments were, St. John's CMA: 2.5; Corner Brook CA: 4.7; Gander CA: 3.5; and Grand Falls-Windsor CA: 1.1.

Availability Rates

Consistent with the vacancy rate pattern, the availability rate ranged from a high of 4.8 per cent in St. John's CMA, to a low of 0.6 per cent in Corner Brook CA. The Gander CA availability rate was 2.5 per cent, while Grand Falls-Windsor CA posted an availability rate of 3.6 per cent.


Newfoundland & Labrador
Apartment Vacancy Rates
Corner Brook
0.6%
Grand Falls-Windsor
3.6%
Gander
2.5%
St. John's
3.7%
Bay Roberts
**
Legend
0.6% 2008 vacancy rate for Corner Brook
Vacancy rate in 2008 the same as 2007
Vacancy rate in 2008 higher than 2007
Vacancy rate in 2008 lower than 2007
Data suppressed to protect confidentiality or because it is not statistically reliable.

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
St. John's CMA	5.1 b	3.0 a	4.0 a	2.5 a	4.0 a	3.5 a	9.9 b	9.9 b	4.6 a	3.7 a
Bay Roberts CA	n/u	n/s	**	**	11.1 a	**	**	n/s	12.5 a	**
Corner Brook CA	**	0.0 a	4.6 a	1.7 a	1.7 a	0.3 a	0.0 a	0.0 a	2.4 a	0.6 a
Gander T	**	**	7.0 a	2.5 a	3.6 a	2.7 a	5.7 a	0.0 a	4.6 a	2.5 a
Grand Falls-Windsor CA	**	**	6.1 a	0.0 a	4.5 a	4.2 a	n/u	n/u	4.7 a	3.6 a
Newfoundland & Labrador 10,000+	**4.7 b**	**2.8 b**	**4.3 a**	**2.4 a**	**3.5 a**	**3.1 a**	**7.6 b**	**8.0 b**	**4.2 a**	**3.2 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
St. John's CMA	467 a	472 a	548 a	543 a	602 a	614 a	651 a	662 a	579 a	585 a
Bay Roberts CA	n/u	n/s	**	**	422 a	464 a	**	n/s	418 a	459 a
Corner Brook CA	400 a	418 a	411 a	425 a	476 a	516 a	543 a	617 a	456 a	497 a
Gander T	**	**	432 a	437 a	490 a	504 a	504 a	518 a	475 a	488 a
Grand Falls-Windsor CA	**	**	422 a	453 a	514 a	565 a	n/u	n/u	498 a	549 a
Newfoundland & Labrador 10,000+	**461 a**	**466 a**	**514 a**	**516 a**	**560 a**	**581 a**	**629 a**	**643 a**	**547 a**	**561 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)
d – Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in April 2008 by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
St. John's CMA	11 a	369	29 a	1,150	65 a	1,872	31 b	313	136 a	3,704
Bay Roberts CA	n/s	n/s	**	**	**	30	n/s	n/s	**	31
Corner Brook CA	0 a	21	2 a	121	1 a	289	0 a	38	3 a	469
Gander T	**	**	4 a	159	12 a	448	0 a	38	16 a	646
Grand Falls-Windsor CA	**	**	0 a	31	9 a	215	n/u	n/u	9 a	249
Newfoundland & Labrador 10,000+	**11 b**	**394**	**35 a**	**1,462**	**89 a**	**2,854**	**31 b**	**389**	**166 a**	**5,099**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
St. John's CMA	5.1 b	3.5 b	4.8 a	3.1 a	4.7 a	5.0 a	10.8 c	11.8 c	5.3 a	4.8 a
Bay Roberts CA	n/u	n/s	**	**	11.1 a	**	**	n/s	12.5 a	**
Corner Brook CA	**	0.0 a	4.6 a	1.7 a	1.7 a	0.3 a	0.0 a	0.0 a	2.4 a	0.6 a
Gander T	**	**	7.0 a	2.5 a	3.6 a	2.7 a	5.7 a	0.0 a	4.6 a	2.5 a
Grand Falls-Windsor CA	**	**	6.1 a	0.0 a	7.2 a	4.2 a	n/u	n/u	7.0 a	3.6 a
Newfoundland & Labrador 10,000+	**4.7 b**	**3.3 b**	**4.9 a**	**2.9 a**	**4.1 a**	**4.1 a**	**8.7 b**	**9.5 b**	**4.8 a**	**4.1 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent [1] by Bedroom Type
Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08
St. John's CMA	n/a	2.0 b	n/a	++	n/a	2.5 a	n/a	2.9 c	n/a	2.2 b
Bay Roberts CA	n/a	**	n/a	**	n/a	**	n/a	**	n/a	**
Corner Brook CA	n/a	**	n/a	4.0 a	n/a	4.7 b	n/a	**	n/a	3.9 c
Gander T	n/a	**	n/a	3.3 a	n/a	3.5 a	n/a	6.8 a	n/a	3.5 a
Grand Falls-Windsor CA	n/a	**	n/a	3.5 c	n/a	1.1 a	n/a	n/u	n/a	1.2 a
Newfoundland & Labrador 10,000+	**n/a**	**2.0 b**	**n/a**	**1.9 c**	**n/a**	**2.8 a**	**n/a**	**4.2 c**	**n/a**	**2.5 a**

[1] The Estimate of Percentage Change is a measure of the market movement, and is based on thoses structures that were common to the survey for both years.

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the April 2007 and April 2008 Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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